



NOV 15 2010

November 10, 2010

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street NW
Washington, DC 20423-0001

RE: Finance Docket 30186 (Sub No. 2), Tongue River
Railroad Co. – Rail Construction and Operation --
Ashland to Decker, Montana

ENTERED
Office of Proceedings

NOV 15 2010

Part of
Public Record

Dear Mr. Williams:

I am submitting, on behalf of the Tongue River Railroad Company, an original and ten copies of our four-month progress report for the latest four-month period, pursuant to the Surface Transportation Board's favorable decision served November 8, 1996 in FD 30186 (Sub-No. 2).

Please note that a copy of the four-month report has been served only on the Parties of Record identified in the Surface Transportation Board's complete service list served October 3, 2003 and amended in a notice served by the Surface Transportation Board on October 24, 2003. We will continue to serve the four-month report on these parties.

Sincerely,

Douglas A. Day
Representative for the
Tongue River Railroad Company

Enc.
cc: Parties of record

NOV 15 2010

TONGUE RIVER RAILROAD COMPANY, INC.

**Four-Month Report
to the
Surface Transportation Board**

November 10, 2010

The Surface Transportation Board ("Board") served its decision in STB Finance Docket No. 30186 (Sub-No. 3) on October 9, 2007 granting the application of Tongue River Railroad Company, Inc. ("TRRC") to construct and operate a 17.3-mile rail line known as the Western Alignment in Rosebud and Big Horn Counties, Montana. The decision became effective on November 8, 2007. A July 26, 2010 Petition to Reopen filed by Northern Plains Resource Council and Mr. Mark Fix, which TRRC has opposed, is pending before the Board in this docket, as well as in STB Finance Docket Nos. 30186 and 30186 (Sub No. 2).

Certain parties have sought judicial review of the Board's decision by filing petitions for review in the U.S. Court of Appeals for the Ninth Circuit. The Court has established a briefing schedule for the appeal. The Petitioners filed their briefs in August, 2010.

TRRC has continued to work with the staff and counsel of the Montana Department of Fish, Wildlife & Parks ("MFWP") to reach agreement on the terms of an Easement Agreement providing for the TRRC line to cross a portion of the Miles City Fish Hatchery property. Following nearly three years of effort to achieve a mutually satisfactory easement agreement, a draft agreement has been prepared. The MFWP Commission must approve the agreement before it can be deemed final. The MFWP Commission is a five member body composed of appointees of the Governor. The current Chair of the Commission is Mr. Bob Ream. TRRC continues efforts to work with the MFWP Commission and MFWP staff to reach agreement on the easement.

TRRC continues to closely follow activities related to the decision by the State of Montana Land Board to lease the State's coal assets in the Otter Creek Tracts to an affiliate of Arch Coal, Inc. The Land Board's initiative followed a similar private coal lease transaction which occurred between Great Northern Properties and Arch Coal, Inc. TRRC also has been engaged in continuing discussions with several parties relative to development of the railroad.

CERTIFICATE OF SERVICE

I hereby certify that on this 10th day of November, 2010, a copy of the foregoing document was served via first class mail, postage prepaid, to the following Parties of Record:

Jake DeBoever
Richard Weicher
BNSF Railway Company
Railway Company
P. O. Box 961039
2500 Lou Menk Drive 3rd Floor
Fort Worth, TX 76131-2828

JW Boulware
RT 2 Box 3015
Miles City, MT 59301

Betty Jo Christian
Steptoe & Johnson LLP
1330 Connecticut Ave., NW
Washington, DC 20036-1795

Jake Cummins
MT Farm Bureau Federation
502 South 19th
Bozeman, MT 59718

Mark Fix
HC 32 Box 4196
Miles City, MT 59301

John Hamilton
Cedar Hills Angus Ranch
HC 32 Box 4356
Miles City, MT 59301

Beth Kaeding
669 Stonegate Drive
Bozeman, MT 59715

Steven Kelley
Northern Cheyenne Tribe
P. O. Box 128
Lame Deer, MT 59043

R S Knutson, General Chairman
UTU GO-245
8250 W. 80th Avenue
Units 7 & 8
Arvada, CO 80005

Gordon P. MacDougall
1025 Connecticut Avenue NW
Suite 919
Washington, DC 20036-5444

William R. Musgrave
Musgrave Ranch
P. O. Box 32
Decker, MT 59025

Nancy Owens
P. O. Box 38
Basin, MT 59631-0038

Peter A. Pfohl
Slover & Loftus
1224 Seventeenth Street NW
Washington, DC 20036-3003

Joe Arvizu Rodriguez
P. O. Box 820
Lame Deer, MT 59043

Gary Ryder
P. O. Box 72
Hysham, MT 59038

Kathryn M. Schenk
Chief, Regulatory Branch – US Army Corps
of Engineers
106 S. 15th Street
Omaha, NE 68102

Jack R. Tuholske
P. O. Box 7548
234 East Pine Street
Missoula, MT 59807

John F. Wardell
EPA Region 8 Montana Office
10 West 15th Street, Suite 3200
Helena, MT 59626

Irv Alderson
Bones Brothers Ranch
P. O. Box 505
Birney, MT 59012

Jeanie Alderson
Bones Brothers Ranch
P. O. Box 505
Birney, MT 59012

Mr. and Mrs. Richard J. Anderson
Tongue River HC 32
Miles City, MT 59301

Rep. Norma Bixby
P. O. Box 1165
Lame Deer, MT 59043

William P. Carrel
FL Ranch
7 Red Bluff Loop
Birney, MT 59012

Marilyn Fortune
T Triangle Ranch
HC 32
Miles City, MT 59301

Art Hayes Jr.
Brown Cattle Co.
P. O. Box 517
Birney, MT 59012

Les Hirsch
HC 32 Box 4311
Miles City, MT 59301

Ted Hirsch
HC 32 Box 4741
Miles City, MT 59301

Nellie Israel
P. O. Box 76
Joliet MT 59041

Patrick Landers
HC 32 Box 4731
Miles City MT 59301

Terry Punt
Bones Brothers Ranch
P. O. Box 505
Birney, MT 59301

T.L. Ungricht
UTU-Wyoming State Legislative Board
1659 Highland Ave
Sheridan, WY 82801

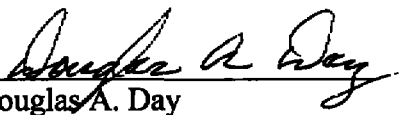
Stephen Valentine III
Hill House
P. O. Box 547
Birney, MT 59012

Lonnie J. Wright
Diamond Cross Ranch
P. O. Box 70
Big Horn, WY 82833-070

Member of Congress
Honorable Conrad Burns
United States Senate
Washington, DC 20510

Member of Congress
Honorable Max Baucus
United States Senate
Washington, DC 20510

Honorable Barbara Cubin
US House of Representatives
1114 Longworth House Office Building
15 Independence Avenue, S.E.
Washington, DC 20515


Douglas A. Day
Tongue River Railroad Company
2280 Grant Road, Suite B
Billings, MT 59102